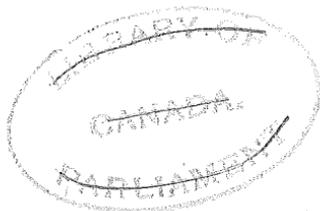


**Legislative Assembly of British
Columbia.**

BUDGET SPEECH



Delivered Thursday, February 20th, 1908

BY

HON. R. G. TATLOW, MINISTER OF FINANCE

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Hon. Mr. Tatlow, who was received with cheers from the members on the Government benches, on rising to make to the House and to the country his annual Financial Statement, said:

Mr. Speaker,—This is the fifth occasion on which I have had the honor to move that “you do leave the Chair,” and while on each former occasion I have been able to lay before this House an improved condition of our financial affairs, I cannot but feel that the statement I am about to make to-day will more than ever meet with its approval. (Cheers). While such a condition of affairs is at all times a matter for satisfaction, it must be even more so at a time like the present, when the country is just about to emerge from a period of commercial depression which, if not experienced as acutely here as elsewhere, still, from its effect on the great monetary centres, has rendered it more than ordinarily difficult to obtain the necessary capital, not only to start new enterprises, but in many cases to carry on and extend existing undertakings. Before coming to the more interesting portion of my work, I will ask you to take up the Public Accounts for the last financial year, from which you will see that the net income for the year was \$4,396,082, while the net expenditure was \$3,194,999, leaving a net surplus of \$1,201,083. (Cheers.)

This is chiefly accounted for by the fact that the actual revenue exceeded the estimates by over \$1,600,000, derived from land sales, principally in the neighborhood of the City of Vancouver, and timber licenses and royalties, owing to an even greater development in the lumber industry than could have been anticipated when the estimates

were framed in March, 1906. The excess in these two items alone amounted to over \$1,265,000, and the increase in registry fees and printing office receipts, which were largely affected thereby, will account for a large portion of the remainder. On the other hand, the actual expenditure only exceeded the estimate by \$220,000, including over-expenditure on public works of \$176,323.

Progress During Last Decade.

To turn again to the Public Accounts in the balance sheet of the Province, we find the balance of liabilities over assets has decreased considerably in the last year. Taking the past five years, we find this item reads as follows:

1903—Balance liabilities over assets	\$8,539,878
1904— " " " "	8,764,412
1905— " " " "	8,788,828
1906— " " " "	8,106,152
1907— " " " "	6,525,233

showing a reduction in the last year of nearly \$1,600,000, mostly in the public debt.

The loan of 1877 matured July last; the amount payable was \$462,690, which was provided for by the sinking fund invested in our own three per cent. stock of £105,674. The redemption was based on our obtaining a price of 85 for this sinking fund, but the conditions last summer were such that we were advised we could not obtain more than 81, which would have entailed a heavy loss. Consequently we determined to purchase the sinking fund on the Government account, have the stock inscribed in the name of the Government of British Columbia, with authority to Glyn Mills Currie Company to apply it from time to time towards the half-yearly requirements for the sinking fund of our various loans. (Hear, hear.) This investment will exhaust itself in three years, and during that term will effect a saving in brokerage besides bearing interest at over three and a half. Had we insisted on selling this stock we would have met a direct loss of not less than \$20,000. (Applause).

The Parliament Building loan of 1897 also matured this year, and the last payment was made on July 1st of \$10,000 and interest.

Reduced Liabilities.

On the first of July last there were outstanding \$700,000 of the 5 per cent. Treasury Debenture loan of 1903. This was repayable

at \$100,000 per annum, with interest at 5 per cent. During the financial stringency last autumn, I approached the largest holders through their agent in Vancouver, and in a short time was able to repurchase \$672,000 of the bonds at par with interest to date, the money repayable in Victoria; so that the whole of that debt is now wiped out, except \$28,000 held by an order in Montreal, which is repayable \$4,000 per annum for seven years. (Cheers.)

The Present Condition.

This brings us, sir, to consider the financial condition after being relieved of these debts. We have still the

Loan of 1887, bearing 4½ per cent., and maturing on June 30th, 1917	\$ 381,210
3. per cent. inscribed stock maturing 1941.	9,921,936
Dyking Debentures	671,000
Balance of Treasury Debentures	28,000
	<hr/>
	\$11,002,146

Against which we hold in the Sinking Fund account:

1887 loan.	\$ 228,638
Inscribed Stock.	1,165,101
Dyking Debentures.	26,871
	<hr/>
	\$ 1,420,610

Leaving a net debt of the Province, \$9,581,536, showing a reduction since 1905, when the net debt was \$11,382,786, of \$1,829,250. (Cheers.)

To proceed, sir, to the estimates for the year ending March 31st, 1909, which only covers a period of nine months, we find the revenue placed at \$3,143,276, while the first item, Dominion of Canada, of \$522,076, includes the increased subsidy of \$115,000, and the special 10 years grant of \$100,000 per annum.

The amount estimated for land sales, \$400,000, is based largely on the receipts of the last half-year—the large amounts appearing on the accounts for 1907 being mostly composed of the Point Grey sale.

Land revenue, which embraces Crown Grant fees, water records, coal prospecting, licenses, etc., which yielded last half year \$61,897, has been placed at \$100,000. The items of timber royalties and licenses have been segregated, the former being placed at \$150,000 and the latter at \$900,000. The estimated taxes are based on the collections

which may be expected after June 30th, the greater proportion being usually paid before that date. Consequently a very small proportion will be paid in during the period of nine months under discussion.

Two New Items.

Two new items appear in this estimate, \$10,000 under head of Game Licenses, and \$7,000 from fisheries.

To obtain the former it is proposed to increase the big game license from \$50 to \$100, and devote the amount to game protection.

We believe, sir, that those who secure these licenses are well able to pay the additional amount, and at any rate the revenue will undoubtedly be increased. But this \$10,000 will, however, be entirely utilized for the protection of game. (Applause.)

The latter amount of \$7,000 is obtained from fees under the Fisheries Act, and will go to reduce the cost of fisheries, which is about \$17,000 per annum.

There is also a revival of the item, Chinese Restriction Act, owing to a number of Chinese having paid the head tax. This I place at \$50,000, which is merely an approximate figure.

Receipts Doubled.

A comparison of the receipts for the last five years shows that they have doubled in that period:

1903	\$2,009,412
1904	2,597,867
1905	2,874,554
1906	2,992,900
1907	4,338,632

and the estimate for the nine months could probably be safely placed at an amount exceeding those for 1907, were it not that, as stated before, there are certain collections, such as taxes, free miners' certificates, etc., of which only a small portion will be paid between July 1st and March 31st. (Hear, hear.)

And I think, sir, I will be able to show that the estimated revenue for the coming year can be with confidence placed at a figure at least equal to that of the preceding year, if indeed it will not be considerably greater. (Cheers.)

Estimated Expenditure.

Turning to the estimate of expenditure for the coming year, we find a total of \$3,026,311, which is a little less than the estimate of revenue, because I have anticipated a payment of \$200,000, which, I understand, it is proposed to set aside for the Superannuation Fund.

The first item is public debt, \$282,509, as against an expenditure of \$712,213 for the year ending June 30th last, and an estimate of \$678,369 for 1908; the reason of the great difference being that the Parliament Building loan, the 1903 loan, and the 1877 loan have been paid off, and also that, except on the Dyking loan, there will be only due one payment on account of Interest and Sinking fund between July 1st and March 31st. I may say for the sake of comparison that if this estimate were being made as formerly, for a period of twelve months, this item would amount to about \$515,000, a reduction from last year of over \$200,000.

Civil service, \$249,960, shows an increase over the estimates for the present year, which is mostly due to the increase in public business, necessitating enlargement of the staff in nearly every department, but while, as I have shown, the revenue has increased 100 per cent. since 1903, the cost of civil government has not increased 20 per cent.

The same remarks apply to Administration of Justice salaries, \$104,552, which includes an item of \$8,000 additional for the Provincial police.

Legislation shows an increase of \$18,000, which includes an increase in the sessional indemnity.

Public institutions vote shows an increase of nearly \$20,000, and hospitals and charities of over \$60,000, both being due to the expansion of business and growth of population. In the latter vote over \$20,000 is estimated as the increase of the per capita grant, which is statutory, \$25,000 is asked for grants to hospitals and \$10,000 additional for the Tuberculosis Sanitarium.

The vote for education is increased by \$30,000, which is a reasonable increase, in view of general conditions.

The same may be said of the increases in transport and revenue services.

Public Works.

The next vote is for the public works, to which, I am glad to say, we are able to devote a larger sum than formerly. Last year

we spent \$854,135 on public works; for the present year we have an appropriation of \$1,058,540, and next year propose to spend \$1,255,900, of which we find the greater portion is for roads, trails and bridges, \$788,555.

I now come, sir, to the supplementary estimates for the present year, amounting to over \$1,200,000. The sum appears large at first, but it includes the repayment of the outstanding debentures of the \$1,000,000 loan, and some \$32,000 for additional help in all departments of the Government, occasioned by the increase of work in connection with timber land sales, etc. There is also an increase for legislation, including the sessional indemnity. (Hear, hear.)

The remaining amounts are to supplement the estimate of the present year, and will be found in keeping with the increases asked for in the main estimates.

The principal item, next to repayment of the loan, is for public works, \$432,500, to be spent as follows:

Works and buildings	\$138,000
Roads, streets, bridges	222,000
Surveys	20,000
Contingencies	52,000
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	\$432,500

Which, being all works of necessity, it is thought better to proceed with at the present time, having the money in hand, than to wait for the beginning of the next financial year. (Applause.)

Now, Mr. Speaker, I have tried to deal with the main features of my budget only, as I know the details will be fully discussed in committee; and would ask you to bear with me while I refer to a few matters which have a bearing on the financial condition, as also of the general welfare of the Province. (Hear, hear.)

Progress in Agriculture.

I now come, sir, to the most and ever-important question of agriculture, and I am most happy in being able to inform the members of this House that the progress made in that great industry during the past year is, all things considered, satisfactory. (Applause.) A very late spring followed by a dry summer, and, in some districts, unfavorable harvesting weather, contributed to reduce the average production; but, on the other hand, there was a material increase in the acreage under cultivation, and prices ranged higher than in former years, so that when the returns are complete,

it is confidently expected that they will show a total equal to that of 1906, when the estimated value of the products of farm, ranch, dairy and orchard aggregated \$7,500,000. (Cheers.)

Importations of agricultural products show an increase over those of 1906, of \$715,506, and at first glance this might be taken to indicate a serious falling off in home production.

But, fortunately, sir, for British Columbia, there is no cause for alarm in this sudden increase in the importation of foodstuffs; it is, indeed, a strong proof of the rapid progress being made along all lines of industry, and is easily explained as the result of the growth of population and the establishment of new enterprises, for over 400 companies were incorporated and registered to do business during the year, and it emphasizes the fact that one crying need of the Province is more farmers—men who will take up mixed farming and supply local demands for meat, butter, poultry, vegetables and fruit and eggs. (Applause.) Of these necessaries of life, we imported 37,332,669 pounds and 2,721,484 dozens of eggs last year, for which we paid at first cost \$3,845,062 and \$230,452 in duty, over \$4,000,000.

The figures are:

	Pounds.	Value.	Duty.
Meats and poultry	10,750,375	\$1,193,313	\$ 98,401
Butter, milk and cheese	10,728,708	1,507,466	21,040
Fruit, vegetables	15,853,586	572,771	101,199
	37,332,669		
Eggs, dozen	2,721,484	571,512	9,812
		\$3,845,062	\$230,452

These figures include such items as \$800,000 for bacon, ham and lard; \$115,000 for poultry; \$200,000 for beef and mutton; \$335,000 for oats; \$75,000 for apples; \$248,000 for canned fruits; \$148,000 for hay, and many other things which might easily be produced within the Province, thereby giving employment and furnishing comfortable livelihood to a large number of individuals and families. (Hear, hear.)

Dairy Industry.

Though handicapped by a dry summer, a shortage of fodder and high wages for milkers and other help, the dairying industry shows a fairly satisfactory increase in production. The output of

butter for the year from 18 creameries amounted to 1,651,304 pounds, valued at \$549,421, compared with 1,619,000 pounds, valued at \$430,000, in 1906. The increase, 32,000 pounds, seems inconsiderable, but the higher prices secured netted the patrons of the creameries over \$100,000 more than they received in 1906. It is estimated that the farmers' wives and daughters contributed about 400,000 pounds, and adding that to the output of the creameries we have a total production of over 2,051,304 pounds, against 4,317,000 imported from other provinces and foreign countries. Adding \$12,800 for the 95,000 pounds of cheese made at our one cheese factory, and allowing \$5 per head for milk consumed by the population of the Province, we have a total value of dairy products for the year of \$2,660,000, as against \$1,528,000 paid for the imported articles. The price of butter has increased so during the past few years as to place it among the luxuries. In 1905 the creamery output sold at an average of 26 cents per pound, while in 1906 the price advanced to an average of 32 15-16 cents per pound—nearly 7 cents—and we all know how the retail price has advanced. It is consoling, perhaps, to know that this condition is not exceptional to British Columbia, for high prices are the rule throughout America, and for the first time in their history Quebec and Ontario have had to import butter from Ireland and Denmark. We are, therefore, not much worse off than our neighbors in this respect; but it is plainly obvious that British Columbia offers inducements to dairymen unequalled by any other country. (Cheers.)

Fruit-Growing.

While general farming and dairying fairly held their own during 1907, marked progress was made in fruit-growing, despite the fact that unseasonable weather prevailed in the spring. As a consequence, strawberries and other small fruits suffered to some extent, but growers received better prices, and in that way were recouped for any shortness of crop. Good average crops of other fruits were harvested and the prices obtained were satisfactory. (Hear, hear.) The retail and express shipments show an increase over 1906 of 707 tons, the figures being: By express, 1,605 tons; by freight, 3,138 tons; total 1907, 4,743 tons; total 1906, 4,036 tons. (Cheers.)

Of course these figures are far from representing the quantity of fruit grown, as the greater part is consumed locally, and much is shipped by sea, of which we have no record.

The most gratifying fact in connection with the fruit industry is the increase of the acreage of orchards and small fruits. In the

Kootenays, the Boundary, Okanagan, the Lower Mainland and Vancouver Island, new people are coming in, all possessed of more or less capital, and establishing themselves as fruit-growers. The benefit of this movement to the Province will be more apparent when the trees now being planted come into bearing; but even the arrival of so many strangers, and the money they are spending for land and buildings, house-furnishings, farm gear, etc., is making good times for the local tradesmen and store-keepers. This influx of a desirable population is due in a great measure to the advertising done through the Bureau of Provincial Information and the office of the Agent-General. (Hear, hear.) The tide has set in towards British Columbia, and by persisting in our policy of keeping the Province well before the people of Great Britain, Eastern Canada and the United States, and impressing them with the opportunities it holds for men of industry, small capital and large ambitions, we confidently hope to see every available acre under fruit in a few years. (Cheers.)

Returns Show Growth.

The growth of the fruit industry may be realized from returns furnished by the Provincial Fruit Inspector. For the planting season of 1907 the number of fruit trees and bushes imported was in round numbers 1,500,000 and about an equal number was produced by Provincial nurseries. This would represent the planting of at least 50,000 additional acres, and increases the total fruit-growing acreage of the Province to over 100,000 acres, a fairly good showing when it is considered that in 1901 there were only 7,430 acres in fruit. And all this has happened in seven years in the portion of the Province lying south of 52 degrees north. What will the future show when the great interior valleys are dotted with orchards? Apples, pears, plums, cherries and other fruits are grown to perfection as far north as Hazelton, Bella Coola is a recognized fruit district, and there is no doubt whatever that the Bulkley, Ootsa and Nechaco valleys will produce fruit equal in every respect to that now grown in Southern British Columbia. It is estimated that there are from three to four million acres suitable for fruit-growing in those Northern valleys, so it does not require much exercise of the imagination to look forward to a day when British Columbia will be one of the greatest fruit-producers of the world—when she shall add to her titles that of "The Orchard of the Empire." (Cheers.)

The fight against insect pests and plant diseases was actively waged during the year. Of the nursery stock imported, over 55,000

pieces found to be infected were destroyed by the Inspectors. The inspection of the orchards throughout the Province, which was carried out in the best possible manner, bearing in mind the unusually great difficulty which here, as elsewhere, was experienced in securing labor for the purpose, led to the destruction of a large number of diseased and of worthless trees. (Hear, hear.) But with the regulations still more stringently applied, and with the assistance of a much larger staff of officials, working in all the different portions of the province, we confidently, sir, expect to see this most important work carried out during this present year, even more effectively than proved to have been the case during the past season. (Cheers.)

Work of Exchanges.

The Farmers' Exchanges and the Fruit Growers' Associations are, I am glad to say, doing most excellent work in the direction of securing uniformity in the grading and packing of fruit. (Hear, hear.) I may say, sir, that nearly all the different exchanges throughout the Province have come into line, and that at the present time one central exchange practically controls the situation in this Province. (Hear, hear.) And while we supplied some assistance towards their preliminary organization, we anticipate that in a year or two they will become self-supporting, and, beyond question, once they are firmly established, they must prove through their operations most advantageous to the agricultural and orchard interests of this great Province. (Cheers.)

Through their efforts, and with the assistance of the Government, great improvements have been made in the methods of packing, but eternal vigilance is necessary to overcome the evil done by careless growers, who ignore the rules to their own ultimate loss, and to the injury of the reputation of British Columbia fruit abroad. The establishment and general use of packing houses, where fruit is delivered in bulk and sorted and packed according to grade, will in time do away with this reproach to our fruit-growers, and the imperfect fruit will be utilized in the manufacture of jellies and fruit pulp. Attention has been called to the overloading of cool storage cars, through which considerable loss has been sustained, and steps have been taken to arrange this important matter with the railways, by fixing a standard load for cool storage service.

The sum of \$1,000 has been placed in the estimates to assist in this work. (Hear, hear.)

Fruit Exhibits.

The policy of the Government, sir, in sending exhibits of fruit to Great Britain has been criticized in some quarters, the principal

contention being that the expense of these exhibitions was money wasted, and that no substantial benefit could accrue from them on account of the distance and high transportation charges.

I may here state, sir, for the information of the House, that after all the expense was not very great, and that, although we sent over to the Mother Country 700 boxes of fruit, we obtained free transportation from the Canadian Pacific Railway Company. (Hear, hear.) And while the general effect of this great and most striking exhibit was to induce a large number of very desirable settlers to come to this country from the other side, at the same time we were able to obtain a more or less handsome return towards the cost of this very useful branch of our service. (Cheers.) It was not sent, however, sir, so much with the object of establishing a market as to furnish an irresistible object lesson to the people on the other side, showing them in the plainest and most conclusive manner possible, sir, that we could produce crops which were not only as good as their own, but which in many cases were superior to their own. (Cheers.) But in addition, sir, we have shown that it is quite possible to establish a market in the great Mother Country. (Hear, hear.)

We were convinced, however, that all that was necessary to establish a profitable market for British Columbia fruit in Great Britain, was to prove their good qualities to the British public. The exhibits were, therefore, persisted in, with the results that they have not only won the highest honors at the principal exhibitions, but have also secured the recognition of prominent fruit-buyers in London and other large cities to such an extent that some of our fruit-growers are now devoting all their efforts to filling Old Country orders. (Cheers.) By giving special attention to certain varieties, which are always in demand and command the highest prices, these growers are enabled to ship by the carload direct to London, instead of cultivating several different kinds of apples and sending mixed shipments to the Canadian market. Thus their business is reduced almost to an exact science, and they profit directly instead of sharing profits with the packer and middleman. The success of our fruit last season surpassed that of all former years. The Royal Horticultural Society awarded the collection of 275 boxes, the gold medal, over Nova Scotia and Ontario, which won the second and third prizes. Nine silver and three bronze medals were awarded to individual British Columbia growers, whose contributions made up the Provincial exhibit. At Edinburgh, Leeds, Hereford, Tunbridge, and several other shows, our fruit won the highest awards and the most flattering notices in the press. (Cheers.)

Press Comments.

The London Times says: "A finer collection of apples has never been seen at any of the Society's shows. It is extensive and varied, and in some respects is equal, if not superior, to the best examples of English fruit shown this year, notwithstanding the fact that it has had to bear the strain of a railway and steamship journey of 6,000 miles. If the Canadian apples are not quite up to the English standard in flavor, many sorts are superior in color and cleaner in skin, and the grading is remarkable. Cox's Orange Pippins and the Blenheim Oranges may be signaled out for special praise, and there are excellent specimens of 20-ounce Pippins, Ribston Pippins, Kings, Wolfe Rivers, Golden Russets, King of Tompkins, to mention only a few. British Columbia is evidently in earnest about fruit-growing." (Cheers.)

The Morning Post is equally complimentary: "All that has been written on the subject," says the Post, "cannot convey to one's imagination the possibilities of British Columbia as a fruit-growing country in the same forcible way as a display of apples like that now to be seen at the Horticultural Hall. The Government of that colony has staged 275 cases from 30 growers and 15 packers. The color, size and quality of such well-known varieties as Golden Russet, Northern Spy, King of Tompkins' County, Newton Pippin, Hubbardston Nonsuch, Cox's Orange Pippin, Grime's Golden Pippin and Baldwin, will be a revelation to many." (Cheers.)

Many other papers expressed equally favorable opinions. The Canadian Horticulturist, published in Toronto, pays a high compliment to our fruit-packers when it says: "The British Columbia Government and fruit-growers are to be complimented on winning the gold medal at the recent exhibition of the Royal Horticultural Society in London, England. Their energy and exactitude in displaying the products of British Columbia orchards at this exhibition in England, and at others in other parts of the world, are most commendable. Nova Scotia also made an excellent display at the Royal Exhibition. It is to be regretted that Ontario made such a poor showing. The fault lies, not in the quality and character of the fruit, but in the condition in which it arrived. This was due largely to haste and carelessness in the matter of preparing the exhibit for shipment. Ontario fruit can hold its own in competition with the world. We would suggest that next year the Government employ an expert to purchase and select the best samples of fruit grown in the province, and to pack it with the same care that is exercised by the packers of British Columbia and Oregon. By so doing, it may be expected that Ontario will redeem the reputation

made by the unfortunate shipment that was sent to England last fall."

Farm Laborers.

Honorable members will agree with me in the statement that there was a universal complaint of want of farm laborers during the past season of agricultural activity. (Hear, hear.)

And this complaint, sir, was not confined to this Province alone. (Hear, hear.) From Halifax to Victoria the farmers were clamoring for hands to assist them to garner the harvests of grain and fruit, and we read of trainloads of laborers bound for the prairies being kidnapped by the farmers of Quebec and Ontario.

And so great, indeed, sir, was this scarcity that, whereas the ordinary wages for harvest hands all over the Province of Ontario has been \$25 per month and board, while it has been usual in this Province to pay at least \$35 per month and board during the summer months; we find that during the months of June and July last no less than \$35 with board were willingly paid by the Ontario farmers, which only made the labor conditions still more difficult here than must otherwise have been the case. (Hear, hear.)

In the circumstances, and in order to give employment to white men, where coolie labor was being used, the Government entered into negotiations with the emigration branch of the Salvation Army for the introduction of British farm laborers. Before any definite agreement with the Army was made, we satisfied ourselves through correspondence that similar work undertaken by it in Ontario and Manitoba had proven to be in every way satisfactory to the Governments of those Provinces. Finally, after searching inquiry into the emigration system of the Army and its results, we agreed to advance a stated sum for each immigrant, this advance being in the nature of a loan to be repaid to the Province by the party receiving the benefit, through the agency of the Army. The agreement includes conditions whereby the Army undertakes to find employment for the immigrants, and to exercise a friendly surveillance over them in the way of receiving and housing them until they are permanently settled in positions which will insure them earning a livelihood. (Applause.)

And consequently, sir, I do not think that any of these people, and by no means so many of them, have arrived as some have supposed, or at all likely to swell the ranks of the thousands of destitute men who, we are at least told, are at present in the Province. (Hear, hear.)

Army's Good Work.

Now, Mr. Speaker, with these proofs of good work by the Army before us, I think it is not asking too much of hon. gentlemen on the opposite side of the House to withhold their criticism of the Government in this connection until such time as they can produce something to show that the Army has failed in its agreement, or that the Government was ill-advised in becoming a party to it. Labor conditions have changed completely throughout this continent during the past four months, but will anyone be bold enough to predict that these conditions are permanent? Is it not a fact rather that the country is passing through a short period of depression, and that with the opening of spring, all classes of labor will be more in demand than ever. Looking the situation over, and considering the very extensive works proposed in railway building, lumbering, mining and other industries during the coming working season, and coupling this with the universally expressed wish to make this Province "a white man's country," who will say that the Government is not fully justified in encouraging the immigration of men of British birth to assist in the development of our vast natural resources, and share in the benefits which will be derived from their exploitation? (Cheers.)

And I repeat, sir, have we not the most complete justification for the policy upon which we have entered—of drawing our own countrymen from the old land—of assisting them to come out to this Province and of affording them an ample opportunity for sharing in the same advantages and in the same great privileges which we ourselves enjoy—in preference to permitting the employment, or to being forced to employ, Oriental labor—when, as is well known, our own people are only too anxious to come out and to do this very work? (Cheers.)

General Conditions.

I am sure every member of this House will join with me in congratulating the business men and manufacturers of Canada generally, and those of British Columbia in particular, in not having allowed themselves to be influenced by the spirit of panic which has wrought so much damage in the United States. (Hear, hear.) There has been a period of industrial stagnation, in which hundreds of thousands of wage-earners were thrown out of work and millions of dollars withdrawn from circulation. With the purchasing power of the workingman destroyed, every line of business has suffered and distress and discomfort rule in many parts of the Republic, with little prospect of relief for months to come. (Hear, hear.)

Lumber Industry.

With us it is true that there has been a more or less general shutting down of logging camps and sawmills, but this was due to local causes, and the number of men thrown out of employment was proportionately no more than in former years, during the dull season, for there had been great expansion in the logging and milling industries, and the number of men employed in new enterprises was much greater than ever before. In the matter of logs, it is well known that prices reached the highest figure in the history of the business last summer; but the millmen soon discovered that the cut was far in excess of the demand. Prices fell to a nominal figure and the loggers ceased cutting with large stocks on hand. Many of the mills closed for the regular annual overhauling of machinery and plant, while others found they had sufficient stock on hand to supply the demand during the dull winter months. I am impelled to make these remarks owing to the fact that some pessimistic individuals are prophesizing hard times for our lumber industry, and it is not desirable that such statements should go to the outside world unchallenged. (Hear, hear.) I venture to say that the lumbering interests of British Columbia were never in a more healthy condition than at this present time, and I have every confidence that the steps taken by the Government to check the indiscriminate staking of timber lands will materially aid in maintaining this satisfactory state of things. (Applause.)

The situation is admirably summed up in an editorial in the Western Canada Lumberman, from which I quote: "Whatever is in the best interests of the lumber business is in the best interests of British Columbia; for the lumber industry is the backbone of the Province. When lumbering languishes, trade and commerce languish, and in all times of lumber activity and good prices, the entire industrial and business world of British Columbia wakes up. There is but one thing to guard against, that is over-speculation in timber. If the laws can be changed to the advantage of timber owners and millmen, and the country safeguarded against the timber speculator, then let them be changed."

And I further claim, sir, that the Government has adopted the best means possible to foster the lumber industry and to maintain it on a legitimate basis, for immediately that an attempt was made to raise the prices of logs, or lumber, beyond reason, the reserves could be thrown open in the interests of the consumers. (Cheers.)

Forest Reservation.

It is confidently hoped, sir, that our policy of forest reservation will encourage more conservative methods of cutting timber, for it

is natural to suppose that the holder of a license will adopt every means possible to secure the best results from year to year, so that the cut made in the twenty-first year may prove as profitable as that of the first year. This has been done on the Ottawa and in other parts of the East, and there is no reason why the same wise policy should not be exercised here—in fact, there exists every incentive to its adoption by men who are making the lumber business their life work. The British Columbia Timber and Forestry Chamber, the Canadian Forestry Association, and all other societies formed in the interests of the lumber industry, should combine in a campaign of education which would teach every man in the business to look upon proper methods of logging as the fundamental principle of success in his calling. (Hear, hear.)

While on this subject I might say that the percentage of forest fires during the past year has shown a gratifying decrease, and the increased attention given to their prevention is bearing good fruit, the lumbermen recognizing the importance of fire protection and are earnestly assisting in the work. (Hear, hear.)

According to returns made to the Chief Timber Inspector, the lumber cut for 1907 was as follows:

	Feet.
Cut on Provincial lands west of the Coast Range	488,000,000
Cut on Provincial lands east of the Coast Range.....	260,000,000
Cut on Dominion lands railway belt	45,000,000
Cut on E. & N. lands, Vancouver Island	53,000,000
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Total cut	846,000,000
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Stocks of lumber on hand, west of Coast Range	140,000,000
Stocks of lumber on hand, east of Coast Range	120,000,000
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Total	260,000,000

The total cut, valued at an average of \$15 per thousand, represents \$12,690,000.

Log scaling returns to hand show:

Logs scaled west of Coast Range, average 31,860,000 per month	382,320,000
Logs scaled east of Coast Range	178,000,000
	<hr/>
Total	560,320,000

This would indicate that at the beginning of 1907 there was about 280,000,000 feet of logs in the woods or in the water.

The revised totals of the cut of 1906 give a grand total of 570,721,923 feet, so that 1907 shows an increase in manufactured lumber of 375,000,000 feet. (Applause.)

At the opening of the new year's business the lumbermen find themselves with a stock on hand of about 260,000,000 feet, which, I am informed, is being rapidly diminished to fill Eastern and overseas orders, and with a prospect of having more orders than they can conveniently supply when the building season begins on the prairies. The fact that the "short" crop of 1907 is expected to net the farmers of Alberta, Saskatchewan and Manitoba more than the average crop of 1906, makes it certain that there will be no check to the progress of those Provinces, and consequently—and if all other markets were cut off no falling off in the demand for our lumber.

Mines of Province.

With regard to the shutting down of some of the big producing mines, I need only remind you of the coke shortage early in the year, and the fall in the prices of copper and other metals which followed the collapse of the attempt to corner the market, an event which led to a general slump in all the principal trading stocks and the bankruptcy of many large monetary concerns in the United States. No better proof is needed of the stability of our mining industry that, in spite of these drawbacks, the mineral output shows an increase over that of 1906 of over three-quarters of a million dollars. The estimates of production are as follows:

Placer and lode gold	\$ 4,829,246
Silver	1,852,320
Copper	7,678,453
Lead	2,318,864
Building materials, etc.	1,200,000
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Total metalliferous mines	\$17,878,883
Coal	\$6,498,100
Coke	1,362,000
	<hr/>
	7,860,100
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Grand total	\$25,738,983

The total for 1906 was \$24,980,546, an increase of \$758,437 for 1907.

I may add that this estimate is a conservative one, and that when all the returns are at hand they will more than likely show a considerably larger increase. The difficulties which arose between the mine owners and their employees, following the reduction in prices of metals and consequent cut down of wages, have happily been adjusted on a satisfactory basis, and the mining industry shows unmistakable signs of permanent prosperity. The calm, sensible, businesslike way in which the mine owners and mine workers discussed the situation, and the spirit of conciliation shown all through their negotiations, was an example to the industrial world, and a credit to all concerned.

Fisheries Returns.

The fisheries returns for the season of 1907 will show smaller results than those of many former years.

1906 and 1907 were "lean" years in the salmon-fishing industry. In 1906 the total salmon catch amounted to \$5,096,927, compared with \$8,330,713 in 1905; while 1907 shows a still greater falling off, the total pack being 547,459 cases, valued at \$2,974,480, but there must be added to this the value of fresh, frozen, smoked, salted and pickled salmon, the figures of which are not yet available. This is one of the smallest packs on record, the only one approaching it being that of 1904, when the total was 465,894 cases.

It is possible, indeed experts declare it is a fact, that the salmon of this coast is being destroyed by the indiscriminate methods used in catching the fish, and that unless preservative regulations are adopted and strictly enforced in this Province and in the State of Washington, this great industry may, in a very few years be but a commercial memory. On the other hand, optimists in the business scoff at expert opinion and confidently assert that the annual runs will continue to occur as in the past, in sequence of "lean" years broken by periodical "fat" years, when the fish are so plentiful as to defy all efforts to preserve more than a small percentage. As an ounce of prevention is better than a pound of cure, however, it behooves us to do everything in our power to avert the destruction of the salmon fisheries, and every possible effort will be made by this Government to preserve them as a permanent and profitable industry.

Now, although the statistics of the Dominion Fisheries Department show a big decrease in the value of British Columbia fisheries in 1906, the last year for which we have the figures of the total

catch, there is one important item in those statistics which is very misleading. I refer to the catch of halibut. British Columbia is credited with 11,416,700 pounds, valued at \$570,835, yet in the face of that statement Captain Newcomb, commanding the fisheries cruiser Kestrel, reports that foreign fishermen caught during 1906 no less than 39,334,329 pounds of halibut in British Columbia waters, which at the lowest estimate, 5 cents per pound, would amount in round numbers to \$2,000,000. This, it appears to me, is a very serious state of affairs, the remedying of which calls for immediate action. While we cannot control the salmon canners of Puget Sound, or force them into co-operation with our own canners, in a scheme for preserving salmon, the Dominion Government can surely take measures to prevent our halibut banks from being unlawfully depleted by foreign poachers.

Captain Newcomb's Report.

Captain Newcomb states the facts as follows: "Referring to the 39,334,329 pounds of halibut caught during the year 1906 by foreign fishermen in the waters off the coast of British Columbia, I beg to state that said amount is accounted for as follows:

New England Fishing Company	9,414,330
Tacoma Fish Company	7,946,666
San Juan Fish Company	3,973,333
Taken by smaller crafts	18,000,000
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Total catch	39,334,329

"The above stated companies employ large boats, which operate twelve dories each and fish with from twelve to twenty-four miles of trawls for each steamer. The 18,000,000 pounds taken by the forty odd smaller crafts were caught in Districts 2 and 3, mostly in the latter district (these districts are two of the three into which Captain Newcomb divided his cruising ground). These odd crafts operate from two to four dories each and about one mile of trawls to a dory.

"Each and every one of the above craft frequent and clean their fish in the harbors of British Columbia, when the Kestrel is not there to prevent this violation of our laws, and the destruction of our inshore fisheries, as it is a well known fact that fish will not frequent waters where dead fish and offal are disposed of.

"In connection with the above it might be well to here state that when the foreign fishing vessels (herein referred to) are on the

fishing ground, following up the halibut, when setting their trawls they often find that the halibut are not on the grounds, and instead of catching halibut, they catch black and grey cod, which valuable fish are thrown overboard and destroyed; not only are tons upon tons of these valuable fish wasted every year, but the fishing grounds are depleted, for, as I have already stated, fish will not frequent waters where dead fish or offal are disposed of."

Are Destroying Fish.

So it appears that these alien fishermen, not content with fishing for halibut in our waters and cleaning the fish in our harbors, contrary to law, are also ruthlessly destroying large quantities of cod and other fish. This illegal fishing in defiance of international law in respect to harbors, is increasing year by year, and the latest act of the Dominion Fisheries Department in granting a two-years' extension of special privileges to the New England Fishing Company, may well have the effect of encouraging other foreign fishermen to disregard the fishery and coasting laws.

Captain Newcomb, after earnestly recommending the immediate construction of extra vessels for the fisheries protection service, shows how the evil is growing. He says:

"My reason for asking that the above stated vessels be put into commission at as early a date as possible is, viz.: During the year 1903 there were 16 United States fishing vessels, 3 steamers and 13 schooners, engaged in fishing halibut off the coast of British Columbia. During the present year, 1906, the fleet of United States vessels engaged in fishing halibut in these waters off the coast of British Columbia comprises 6 steamers and 40 other vessels, which I have been able to locate, making a total of 46 craft, which is an increase of 30 vessels in three years; this, combined with the discovery of new fishing grounds, accounts for the increased catch of fish, thus the depleted grounds are not noticed. Some of the halibut banks upon which the halibut were caught in the beginning of the halibut fishing on the coast of British Columbia, fifteen years ago, are now depleted, and the fishermen do not fish there."

Illegal Fishing.

Captain Newcomb in his report says also: "I would respectfully recommend that all foreign vessels frequenting or entering the harbors, or passing through the coast waters of British Columbia, be required to report inward and outward at the present Customs

Office, and failing to do so, be liable to the penalty provided by the Customs Act, as during the past year I have boarded 21 fishing and two other vessels in British waters (one of which I detained and the other seized), which were without customs papers of any kind. If this were done it would be a valuable aid to me in determining the name and number of foreign vessels fishing in the waters off the coast of British Columbia, and also be a deterrent to their poaching in said waters.

"I would also respectfully urge upon the Department the necessity of the above stated cruiser being placed in commission at the earliest possible moment, as at the present rate at which the halibut fishing grounds are being depleted by foreign fishermen, as above set forth, in another six years these valuable fisheries will be fished out and be worthless, and we will have no fishing industry to protect, and a valuable asset to the Government of Canada will have ceased to exist."

Steps Should Be Taken.

It is unnecessary to go beyond Captain Newcomb's report for arguments in favor of prompt and effective measures being taken for the preservation of our deep-sea fisheries. It seems to me that the extraordinary conditions which it discloses call for more than mere passing mention, and that it devolves upon this House to take action, so far as lies within its province, which will serve to arouse the Federal Government to a sense of the duty it owes to British Columbia and to all the Dominion in respect to the Pacific fisheries, which, under the present lax administration of the law, are threatened with destruction. The question is of such national importance as to raise it above party considerations.

Upon its solution depends the preservation to Canadians of a great industry, which affords unlimited opportunity for development, or the total loss of our fisheries by allowing them to be illegally exploited by foreigners.

From the preliminary reports of the British Columbia Fisheries Inspectors, the comparative failure of the salmon fishing in 1907 was materially offset by an increase in the catch of herring, sturgeon and other fish, while the whaling industry showed a flourishing condition.

It is, therefore, safe to say that when the returns are all in, 1907 will stand well up on the list of average years of the fisheries industry.

Total Is a Big One.

Now, Mr. Speaker, I am afraid that I have wearied the House with a series of very dry statistics, which, however, I think will be very generally admitted to be most useful in their way. (Hear, hear.)

But I feel, sir, that when I am presenting the Budget, it is only right and proper to place at the same time before the House, in very brief compass, some account of the conditions which prevail elsewhere, as well as a short survey of the conditions that exist in this Province. (Hear, hear.) I have dealt, sir, with the agricultural, the fishing, the lumber and the mining interests of this country, and I can tell the hon. members of this House that if they will take the trouble to add up the total figures for each single one of these leading industries, they will find that when they are placed together, they will have a grand total production to-day exceeding \$55,000,000. (Cheers.)

The population of British Columbia, sir, is now upwards of 250,000. According to the per capita grant, it is only about 175; but making all proper allowances, our population must at the present moment number over 250,000. (Hear, hear.) And what, sir, does this mean? Why, it means, sir, that this great Province of British Columbia is at the present time producing over \$200 for every man, woman and child within its boundaries (cheers), showing, in a nutshell, sir, and in the most emphatic fashion possible, what tremendous advantages we possess; and, further, that these immense material interests are being actively exploited to the benefit of the revenue and to the advancement of the prosperity of the country. (Cheers.) And that, when considered altogether, it possesses, and in the highest degree, the advantages which make us believe that it is just the country for the white man. (Cheers.)

Further Development.

And I further make bold to say, sir, in spite of all that has been said to the contrary, that the development of our resources requires many more active hands, and will make room for many more people. (Hear, hear.) Also, and with equal confidence, I maintain that it is not only our simple duty, but a most patriotic duty, when we are endeavoring to find that labor, to turn to our own flesh and blood—both in the countries to the east of us and in the great Mother Land in the still farther east. (Cheers.) I am, moreover, proud, sir, in being able to state that to a certain extent, we have succeeded in carrying into successful execution this policy, and that

we have been able to place many, who were not in the best of circumstances in the old land, in positions of competency and comfort in this great Province; thus carrying into practical effect our policy of seeking to promote by every means that lies within our power, the best and the highest interests of white labor in this magnificent and most prosperous Province of British Columbia. (Cheers.)

